

Hog Prices: ↑↓ Soymeal: ↑
Corn: ↑ CDN Dollar: ↑

| US Slaughter | |
|---|-----------------|
| 422,000 | Tuesday |
| 454,000 | Year Ago |
| Daily Prices | |
| W. Corn Belt | \$53.75 |
| National | \$58.81 |
| Iowa/S. MN. | \$53.79 |
| ML Signature 5 | \$131.81 |
| HyLife (prev. day) | \$134.75 |
| TCP/BP2 | \$131.81 |
| BoC Rate (Noon) prev. day \$1.2992 CAD / \$0.7697 USD | |
| Cash Prices Week Ending September 15, 2018 | |
| Signature 3 | 112.30/50.94 |
| Signature 4 | 123.35/55.95 |
| Signature 5 Brandon | 117.83/53.45 |
| h@ms Cash | 116.33/52.77 |
| HyLife | 124.45/56.45 |
| TCP/BP2 Moose Jaw/Langley | 105.19/47.71 |
| 2018 Top-Up Estimate | |
| \$5.66 ckg (call for details) | |
| ISO Weans | \$28.11 US Avg. |
| Feeder Pigs | \$31.32 US Avg. |

Forward contract prices opened mixed this morning. US cash markets moved sharply higher in yesterday's trade, adding another \$2.00 USD/cwt to the \$15/cwt gains already seen over the last two weeks. US hog slaughter has been constrained by the plant closures in North Carolina due to the impacts of Hurricane Florence. More than 200,000 hogs have been delayed in their slaughter over the last week because of the storm, but news stories suggest that Smithfield's Tar Heel plant is expected to reopen today. December lean hog futures gained about \$2.00 USD/cwt in yesterday's trade, taking prices to their highest level since mid-June. Support from the cash market is likely the primary factor that has contributed to the recovery in nearby futures. However, hog slaughter is anticipated to reach peak levels of 2.6 million hogs per week in October, and tariffs still impacting sales to Mexico and China limit further upside potential to forward prices in 2018. Producers should secure prices on more than half of their remaining 2018 production at current prices as the market factors at play are contributing heavily to price volatility.

Canadian delivered soymeal prices opened higher this morning. Despite the ramping-up of trade hostilities between China and the USA, US soybean futures are showing some strength and are trading higher at the open. The move is likely a function of managed money repositioning and/or short-covering activity that will not be evident until reporters publish new stories later today. In the meantime, the relative strength index (RSI) for November beans came in around the 32 mark (which is considered to be actively approaching an oversold condition - anything below 30 is considered oversold). The significance of the RSI is that it is used by technical traders as buy/sell signal and the activity in this morning's soybean futures market is rational on at least this technical ground.

US corn futures opened higher this morning. Like beans, US corn futures are seeing some strength to start the session also likely a function of market repositioning. The December corn contract registered and RSI of 28 yesterday which is considered oversold and therefore a buy signal. Market participants may or may not use this metric in their plans, but the combination of contract lows and oversold contracts often influences the market higher despite the bearish fundamentals. As well, trade wars, like strikes and natural disasters, will at some point come to a close; perhaps the market is factoring this in as well.

| Forward Range (at opening) | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
|----------------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf Sig. #5 | | 134.41 135.27 | 123.28 130.48 | 122.88 126.55 | 124.22 140.92 | 144.19 147.46 | 145.73 151.22 | 152.53 159.75 | 158.52 170.52 | 168.96 181.66 | 176.47 178.96 | 173.10 178.84 |
| Soymeal Wpg/S.Man | 440 | 431 | 434 | 434 | 439 | 439 | 439 | | | | | |

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